



NATIONAL CREDIT UNION ADMINISTRATION

Privacy Act of 1974: Systems of Records

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice of a New System of Records.

SUMMARY: Pursuant to the Privacy Act of 1974, the National Credit Union Administration (NCUA) gives notice of a new proposed Privacy Act system of records. The new proposed system is the Examination and Supervision System (ESS), NCUA-22. The ESS will be used for NCUA's statutorily mandated examination and supervision activities, including the coordination and conduct of examinations of credit unions, supervisory evaluations and analyses, enforcement actions and Federal court actions. NCUA may coordinate with other financial regulatory agencies on matters related to the safety and soundness of credit unions. This system will track and store examination and supervision documents created during the performance of the NCUA's statutory duties.

DATES: Submit comments on or before [INSERT DATE 30 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER.] This action will be effective without further notice on [INSERT DATE 30 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER] unless comments are received that would result in a contrary determination.

ADDRESSES: You may submit comments by any of the following methods, but please send comments by one method only:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- NCUA Website:
http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html. Follow the instructions for submitting comments.
- Email: Address to regcomments@ncua.gov. Include "[Your name]—Comments on NCUA Examination and Supervision System (ESS), NCUA-22 SORN" in the email subject line.
- Fax: (703) 518-6319. Use the subject line described above for email.
- Mail: Address to Gerard Poliquin, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.
- Hand Delivery/Courier: Same as mail address.

FOR FURTHER INFORMATION CONTACT: Lisa Dolin, Business Innovation Officer, Office of Business Innovation, the National Credit Union Administration, 1775 Duke Street,

Alexandria, Virginia, 22314, or Rena Kim, Privacy Attorney, Office of General Counsel, the National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia, 22314.

SUPPLEMENTARY INFORMATION:

This notice informs the public of NCUA's proposal to establish and maintain a new system of records. The proposed new system is being established under NCUA's authority in the Federal Credit Union Act, 12 U.S.C. §1751, et. seq. The information collected in the NCUA-22 system of records will also support investigations and supervisory and legal proceedings by the NCUA or other supervisory or law enforcement agencies. The information collected for administrative purposes will ensure quality control, performance, and improving examination and supervision processes. This notice satisfies the Privacy Act requirement that an agency publish a system of records notice in the Federal Register when there is an addition to the agency's systems of records.

The format of NCUA-22 aligns with the guidance set forth in OMB Circular A-108. NCUA-22 and all of NCUA's Standard Routine Uses are published in full below. All of the NCUA's SORNs are available at www.ncua.gov.

By the National Credit Union Administration Board on March 20, 2019.

Gerard Poliquin,
Secretary of the Board.

SYSTEM NAME AND NUMBER: Examination and Supervision System (ESS) – NCUA-22

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: The system is operated and maintained in part by NCUA staff, and in part by third-party vendors. Please contact the system managers (below) for more information.

SYSTEM MANAGER(S): Director of the Office of Business Innovation and the Director of the Office of Examination and Insurance, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: 12 U.S.C. 1751, et. seq.

PURPOSE(S) OF THE SYSTEM: This system of records is maintained for the purpose of carrying out the NCUA's statutorily mandated examination and supervision activities, including the coordination and conduct of examinations, supervisory evaluations and analyses, enforcement actions and actions in Federal court. NCUA may coordinate with other financial regulatory agencies on matters related to the safety and soundness of credit unions. The information collected in this system will also support the conduct of investigations or other supervisory or legal actions by the NCUA or other supervisory or law enforcement agencies. This may result in criminal referrals, referrals to Offices of Inspectors General, or the initiation of administrative or Federal court actions. This system will track and store examination and supervision documents created during the performance of the NCUA's statutory duties. The information also will be used for administrative purposes such as quality control, performance metrics, and improvements to examination and supervision processes.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals covered by this system are (1) Current and former directors, officers, employees, and agents of credit unions; (2) Current and former members who are or have been serviced by credit unions; (3) Current and former credit union service organization representatives; (4) Other individuals engaged in business with the NCUA for a specific purpose (such as outside counsel); and (5) NCUA employees and contractors, and State Supervisory Authority staff.

CATEGORIES OF RECORDS IN THE SYSTEM: Records in the system may contain (1) Contact information about credit union officials (such as members of the Board of Directors, Audit Committee Chair, Chief Executive Officer, Chief Compliance Officer, Internal Auditor, and Independent Auditor), such as name, address, phone number, and e-mail address; (2) Demographic and financial information about individual credit union members, such as name, address, Social Security number, account information, loan and share information, and publicly available information; (3) Information about NCUA employees assigned to credit union examination and supervision tasks, such as name, work phone number, work e-mail address, and other employment information; (4) User information, such as name, email address, and role about other users of the system (such as contractors, credit union representatives, State Supervisory Authority staff, and Credit Union Service Organization representatives (CUSOs).

RECORD SOURCE CATEGORIES: The information in the system about credit union officials and individual credit union members is generally provided by credit unions and CUSOs.

NCUA employees and contractors, and State Supervisory Authorities may add additional information to the system as part of their assigned supervision and examination activities (including analytics/business intelligence activities). Some of the information may be from third parties with relevant information about covered persons or service providers, or existing databases maintained by other Federal and state regulatory associations, law enforcement agencies, and related entities. Whenever practicable, the NCUA collects information about an individual directly from that individual.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: In addition to those disclosures generally permitted under 5 U.S.C. § 552a(b) of the Privacy Act, these records or information contained therein may specifically be disclosed outside NCUA as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

1. NCUA's Standard Routine Uses apply to this system of records.
2. To a financial institution affected by enforcement activities or reported criminal activities;
3. To the Internal Revenue Service and appropriate State and local taxing authorities;
4. To another federal or state agency to: (a) permit a decision as to access, amendment or correction of records to be made in consultation with or by that agency, or (b) verify the identity of an individual or the accuracy of information submitted by an individual who has requested access to or amendment or correction of records;
5. To a grand jury pursuant either to a federal or state grand jury subpoena, or to a prosecution request that such record be released for the purpose of its introduction to a grand jury, where the subpoena or request has been specifically approved by a court;
6. To a court, magistrate, or administrative tribunal in the course of an administrative proceeding or judicial proceeding, including disclosures to opposing counsel or witnesses (including expert witnesses) in the course of discovery or other pre-hearing exchanges of information, litigation, or settlement negotiations, where relevant or potentially relevant to a proceeding related to the NCUA's mission of providing a safe and sound credit union system.
7. To appropriate agencies, entities, and persons, including but not limited to potential expert witnesses, witnesses, or translators, in the course of supervision or enforcement related investigation;
8. To appropriate federal, state, local, foreign, tribal, or self-regulatory organizations or agencies responsible for investigating, prosecuting, enforcing, implementing, issuing, or carrying out a statute, rule, regulation, order, policy, or license if the information may be relevant to a potential violation of civil or criminal law, rule, regulation, order, policy, or license; and

9. To an entity or person that is the subject of supervision or enforcement activities including examinations, investigations, administrative proceedings, and litigation, and the attorney or non-attorney representative for that entity or person.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Electronic records and backups are stored on dedicated secure servers, approved by NCUA's Office of the Chief Information Officer (OCIO), within a FedRAMP-authorized commercial Cloud Service Provider's (CSP) Infrastructure as a Service (IaaS) hosting environment and accessed only by authorized personnel. No paper files are maintained.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Records pertaining to individual credit union members are not generally retrieved outside of a scheduled examination or supervision contact. However, such records can be retrieved by credit union name, charter number, credit union member's name or other record in the system. The system includes advanced search features that function essentially as a full-text search tool.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS: Records are maintained in accordance with the General Records Retention Schedules issued by the National Archives and Records Administration (NARA) or a NCUA records disposition schedule approved by NARA. Records existing on computer storage media are destroyed according to the applicable NIST-compliant media sanitization policy.

ADMINISTRATIVE, TECHNICAL AND PHYSICAL SAFEGUARDS: NCUA has implemented the appropriate administrative, technical, and physical controls in accordance with the Federal Information Security Modernization Act of 2014, Pub.L. 113-283, S. 2521, and NCUA's information security policies to protect the confidentiality, integrity, and availability of the information system and the information contained therein. Access is limited to individuals authorized through NIST-compliant Identity, Credential, and Access Management policies and procedures. The records are maintained behind a layered defensive posture consistent with all applicable federal laws and regulations, including OMB Circular A-130 and NIST Special Publications 800-37 and 800-53.

RECORD ACCESS PROCEDURES: Individuals wishing access to their records should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.
3. The address to which the record information should be sent.
4. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf. Individuals requesting access

must also comply with NCUA's Privacy Act regulations regarding verification of identity and access to records (12 CFR 792.55).

CONTESTING RECORD PROCEDURES: Individuals wishing to request an amendment to their records should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.
3. A statement specifying the changes to be made in the records and the justification therefore.
4. The address to which the response should be sent.
5. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf.

NOTIFICATION PROCEDURES: Individuals wishing to learn whether this system of records contains information about them should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.
3. The address to which the record information should be sent.
4. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf. Individuals requesting access must also comply with NCUA's Privacy Act regulations regarding verification of identity and access to records (12 CFR 792.55).

EXEMPTIONS PROMULGATED FOR THE SYSTEM: Federal criminal law enforcement investigatory reports maintained as part of this system may be the subject of exemptions imposed by the originating agency pursuant to 5 U.S.C. 552a(j)(2).

HISTORY: This is a new system.

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